

# Basile Dubois

PHD CANDIDATE · FINANCIAL ECONOMICS

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## PhD Candidate

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Toulouse School of Economics

SEPT 2019 - JUNE 2025

PHD CANDIDATE

TOULOUSE, FRANCE

Supervisor: Alexander Guembel

One year of doctoral coursework

Columbia Business School

FALL 2022

STAFF OFFICER OF RESEARCH - VISITING POSITION

NEW YORK, USA

Sponsor: Olivier Darmouni

## RESEARCH FIELDS

**Primary:** Corporate finance, financial intermediation, banking

**Secondary:** Monetary policy, empirical IO

## Job Market Paper

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Banking under large excess reserves

WITH PAUL RINTAMÄKI, AALTO

UNIVERSITY

**ABSTRACT:** We examine the effects of quantitative easing (QE) on bank lending in the Eurozone. QE has substantially increased central bank reserves held by commercial banks and raised the volume of short-term wholesale deposits, which made bank funding less stable. Because of Basel III regulation, large volumes of excess reserves and short-term wholesale deposits curtail bank lending. We develop a structural model incorporating imperfect competition in credit and deposit markets and regulatory costs that escalate as banks approach minimum requirements. This framework allows us to quantify how excess reserves contribute to regulatory costs. In France, QE increased the marginal cost of long-term lending by 16 basis points in Q4 2021. Counterfactual analysis indicates that maintaining reserves at their 2019 level of 2 trillion euros instead of 4 trillion euros would have boosted aggregate bank lending by approximately 5% in Q4 2021.

## References

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**Alexander GUEMBEL**

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**Jean-Charles ROCHET**

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**Olivier DARMOUNI**

Columbia Business School

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**Patrick COEN**

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## Job market officers

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**Ulrich HEGE**

Senior Academic Placement

Officer

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**Ana GAZMURI**

Junior Academic Placement

Officer

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**Louise STRACHAN**

Administrator

[louise.strachan@tse-fr.eu](mailto:louise.strachan@tse-fr.eu)

## Education

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<b>MRes in Economics</b> <b>TOULOUSE SCHOOL OF ECONOMICS</b> Honours	2018 - 2019 TOULOUSE, FRANCE
<b>MSc in Applied Mathematics</b> <b>UNIVERSITÉ PARIS 1 PANTHÉON SORBONNE</b> First class honours	2016 - 2018 PARIS, FRANCE
<b>MRes in Economics</b> <b>SCIENCES PO</b>	2016 - 2018 PARIS, FRANCE
<b>Bachelor in Mathematics</b> <b>UNIVERSITÉ PARIS 6 UPMC</b> Honours	2013 - 2016 PARIS, FRANCE
<b>Bachelor in economics</b> <b>UNIVERSITÉ PARIS 2 PANTHÉON ASSAS</b> First class honours	2013 - 2016 PARIS, FRANCE

## Working papers

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### Quantitative easing, inelastic markets and the transmission of asset Purchases

WORKING PAPER

**ABSTRACT:** I study the impact of asset purchases on the composition of institutional bondholders portfolios, and how this acts as a transmission mechanism for quantitative easing: As the price of assets targeted by the purchases rises, investors search for yield and will purchase untargeted assets, in turn pushing up their price. I propose a mechanism where institutional bond- holders take advantage of financial frictions before this transmission of policy takes place. When asset purchases increase, institutional bondholders will first build up an inventory of specific bonds targeted by the purchases, diminishing the bonds available free float to squeeze out a profit from the Central Banks buying up the bonds. In a second phase, as prices for targeted assets stabilize, institutional bondholders will rebalance their portfolio towards bonds untargeted by the purchases as they search for yield, thereby transmitting quantitative easing to untargeted markets.

### The determinants of director selection: Relationships in the director market

WORKING PAPER

**ABSTRACT:** When landing a board of directors job, a significant portion of external candidates enjoys preexisting relationships with members of the board. These relationships may be entirely fortuitous, could reflect self-serving behavior on behalf of board members, or simply be used as a screening device to recruit individuals in extremely competitive positions. This paper uses a consideration sets framework to disentangle these explanations. I argue that estimates of the impact of pre-existing relationships on a directors probability of appointment are biased upwards in the literature. I make additional observations of the impact of a directors personal network on her likelihood of appointment.

### The effect of asset Purchases on the liquidity of the bond market

WORKING PAPER

**ABSTRACT:** I develop a theoretical model to analyze the impact of central bank intervention on the long run price of a bond. Bonds are defined as tradable debt assets that are set to be repaid after  $n$  periods and incur a default risk. Bondholders on the market incur a liquidity risk and might need to liquidate their assets, which can lead to market breakdown during a liquidity crisis. Central Bank intervention through asset purchases (QE) leads to price stabilization during QE, but at the cost of a long-run shift in prices and over-payment by the Central Bank. This leads to overborrowing in equilibrium after intervention. Reversing asset purchases through quantitative tightening will lead to a market crash as overborrowing firms become insolvent due to the shift of bond prices back to their steady state.

# What you see is what you get paid: Transparency and CEO pay

WORKING PAPER

**ABSTRACT:** This paper presents a simple model of CEO compensation where salary is dependent on the internal characteristics of the firm and where the salary of one CEO exerts a positive externality on the salary of others. CEOs are considered interchangeable but costly to recruit outside the market, and are randomly matched with firms until they accept the firms offer. Different firms having different levels of monitoring, prestige and being part of different industries, CEOs enjoy different levels of private benefit when shirking in different firms. Using this model, we can shed light on how the degree of transparency affects CEO compensation. In equilibrium, some of the CEOs have their participation constraint binding while the others have a binding incentive compatibility constraint. A change in the degree of transparency moves the participation constraint, inducing a change in wage for some CEOs. We find that the wage is more likely to increase than it is to decrease.

## Work Experience

OECD

PARIS, FRANCE

CONSULTANT

APR. 2024 - OCT 2024

**Project:** Assessing effects of climate policies on capital allocation.

In charge of data handling and processing. Created a new homogenized cross-country database of high-frequency monetary policy shocks. Provided academic expertise in credit markets. Participated in ideation and drafting.

## Teaching Experience

- 2023 Corporate Finance, Bachelor, Teaching Assistant for U. Hege
- 2023 Microeconomics II, Bachelor, Teaching Assistant for M-B. Bouissou
- 2022 Corporate Finance, Bachelor, Teaching Assistant for U. Hege
- 2022 Microeconomics II, Bachelor, Teaching Assistant for M-B. Bouissou
- 2020 Corporate Finance, Masters, Course coordinator, lecturer, tutorials

## Fellowships & Awards

### FELLOWSHIPS

- |      |                                                           |               |
|------|-----------------------------------------------------------|---------------|
| 2024 | Job market fellowship, Toulouse School of Economics       | TOULOUSE, FR  |
| 2024 | 8-month Banque de France Fellowship, Banque De France/TSE | TOULOUSE, FR  |
| 2023 | Research fellowship, Toulouse School of Economics         | TOULOUSE, FR  |
| 2022 | TSE merit-based mobility grant, Columbia University       | NEW YORK, USA |
| 2019 | 3-year PhD Fellowship, Toulouse School of Economics       | TOULOUSE, FR  |
| 2016 | Erasmus scholarship, Universitat Autònoma de Barcelona    | BARCELONA, ES |
| 2015 | IDEX excellency fellowship, Utrecht University            | UTRECHT, NL   |

### OTHER

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|------|-------------------------------------------------|-----------|
| 2023 | Confidential data access, Banque De France/CASD | PARIS, FR |
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## Presentations

- 2024 UAB ENTER seminar, TSE Finance Seminar,
- 2022 SMYE conference, AFA Poster Session, Columbia GSB Finance Phd Workshop,

## Technical skills

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|-------------|--------------------------------------------------------------|
| Programming | R(***), Python(**), Julia(**), Stata(**) LaTeX(***)          |
| Languages   | French (native), English (fluent), Spanish (A1), German (A1) |